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C O N F I D E N T I A L SECTION 01 OF 03 BRATISLAVA 000118

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SUBJECT: THE DIRTY TALE OF THE PEZINOK DUMP: "A CLOSED
CIRCLE OF ILLEGALITIES"

REF: 08 BRATISLAVA 524

Classified By: Charge d'Affaires, a.i., Keith Eddins, for reasons 1.4 (b and d)

11. (U) Here follows, in five acts, a tale of deception, conflict of interest, probable corruption, and -- last but not least -- impressive civic organization and commitment. Unfortunately for the Slovak citizens involved, absent an unlikely deus-ex-machina resolution their years-long struggle to stop a waste dump only 400 meters from the center of their lovely little town appears lost.

The Setting

12. (U) Our story opens in Pezinok, a small town located just 30 kilometers north of Bratislava, in the foothills of the Small Carpathian mountains. Pezinok is known throughout Slovakia as a wine producing town, with a rich cultural heritage. During the communist era, Pezinok languished, as did the rest of Slovakia's modest wine industry. But both the town and the vintner's culture have enjoyed a rebirth in recent years. And, as Bratislava's job and housing markets have boomed in the last decade, Pezinok gained cache as an up-and-coming bedroom community for Slovak yuppies. A progressive local government, led by Mayor Oliver Solga, has sought to lure tourists and new residents with a focus on the arts and fine wine.

Act I: Pezinok vs. Bratislava

13. (U) For many years, however, the citizens of Pezinok sought to close a 40-year-old waste dump located near the center of town. The dump -- known to locals as the "stara jama" -- was never well-regulated and created concerns about its environmental and health impacts. In ordering its closure, the local government also passed zoning rules to ensure that no new dumps could ever again be constructed in the town. Unfortunately for the citizens of Pezinok, some powerful interests in Bratislava had other ideas. After the stara jama (literally "old hole") was finally shut down in 2007, the owner of that property, Jan Man, Sr., applied for a permit from the Regional Construction Office to construct and operate a dump at the so-called "nova jama" (new hole), an existing pit left over from a defunct brickworks, located only 400 meters from the center of town.

14. (U) The citizens of Pezinok were confident Jan Man, Sr.'s application posed no threat because the town's legally-binding zoning plan expressly forbids the construction of any new dump in the town. What the citizenry hadn't bargained on was that the newly-elected national government of Robert Fico would install Jan Man, Jr., as the

head of the Regional Construction Office. That's right -- Jan Man, Sr.'s son. After years of roadblocks, the office now led by Jan Man, Jr., finally gave the father what he had long sought by approving the site for use as a dump. The conflicts of interest didn't end there: Jan Man, Jr., was also a co-owner of the proposed dumpsite and a member of the board of his father's company. And, in a nifty trick that excluded those who opposed the dump from key zoning discussions, the property was administratively subdivided in such a manner that Jan Man, Sr., became his own "neighbor." Under Slovak law, only a "neighbor" can raise certain land-use questions and, not surprisingly, Man raised none against himself.

Act II: An "American Firm" Takes Over

15. (U) In response to these developments, Pezinok's leaders and citizens launched a well-organized campaign to overturn what they believed to be an illegal and environmentally hazardous decision. Intense media coverage of the situation painted a damaging picture of cronyism and corruption within the Prime Minister's party, Smer. In the wake of bad press and complaints by PM Fico that the civic campaign was politically motivated by opposition politicians, Jan Man, Sr., announced that his firm, "Ekologicka Skladka," had withdrawn from the dump project and had turned all of its rights and responsibilities over to an "American firm" called Westminster Brothers.

16. (SBU) Pezinok's citizens grew increasingly suspicious about Westminster's role when Marian Kocner, a Slovak

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businessman with known mafia connections, became the company's spokesman. Our research suggests that Westminster Brothers, registered in Delaware in 2006, is nothing but a shell corporation. According to the leader of the Pezinok activists, lawyer Zuzana Caputova, the firm was founded by a Slovak named Robert Stanke. According to publicly available information, Stanke and Man Sr. hold mutual interests in several firms.

Act III: The Government Plays Its Part

17. (C) The Pezinok activists first met with Prime Minister Fico in February 2008. At that time, he acknowledged that the decision of the environmental directorate authorizing immediate construction of the dump was flawed and ordered the General Prosecutor's office to examine it. In June 2008, General Prosecutor Trnka, citing an alleged conflict between the town's municipal plan and the territorial plan, stated that the decision to permit the dump construction was legal. (Comment: As described in reftel, General Prosecutor Trnka is close to Marian Kocner.) As disturbing as Trnka's ruling was, the activists soon discovered that the Bratislava Regional Prosecutor's Office and the Environmental Inspectorate had been complicit in covering up the fact that the Inspectorate had originally determined that the construction violated Pezinok's municipal plan. (Note: We have seen compelling documentary evidence of this cover-up.)

8.(U) Meanwhile, a chorus of GOS Ministers pledged to take action in response to the Pezinok citizens' concerns. On several occasions, the Environment Ministry ordered Westminster Brothers to halt construction until a final decision could be taken. The orders had no effect. Oddly, when Environment Minister Chrbet visited Pezinok in October 2008, at PM Fico's request, he only met with Mayor Solga and Jan Man, Sr. (who had allegedly divested himself of any interest in the project months earlier). A few days later Chrbet met with both Jan Mans.

Act IV: The Westminster Brothers' Feint

¶9. (SBU) During three meetings last fall, Minister Chrbet urged Mayor Solga and the activists to make a deal with Westminster Brothers. If Pezinok dropped its protest, Westminster would build, together with a Canadian company, a plasma reactor to destroy waste from both the old and new dumps. Marian Kocner, who attended the meetings, reportedly offered Caputova and Mayor Solga seats on the board of the reactor company and paid trips to Canada to examine the technology. Chrbet said he would ensure that permits for the reactor would be issued quickly. According to Caputova, in a distressed call to her, the Minister pleaded with her to agree to Kocner's proposal. The Mayor and the activists refused.

¶10. (U) Just days after the anti-dump forces appeared to have gained at least a temporary victory -- after the Environment Ministry ordered Westminster Brothers (again) to halt all construction pending a final decision -- they learned why this and previous orders had seemingly been ignored. Jan Man, Sr's, firm, "Ekologicka Skladka" had not severed its ties to the dump project and Westminster Brothers had never had any legal connection to the dump. The fact that Minister Chrbet met with Jan Man, Sr., more than once during the period in which he claimed to have no role in the dump strongly suggests that the government was well aware that Man had never divested himself.

Act V: A Court Decision Closes a "Circle of Illegalities"

¶11. (U) On December 4, 2008, the Bratislava Regional Court ruled in record time against the activists' claim that the dump construction was illegal. The presiding judge berated the activists several times for trying to frighten the public and mislead it regarding Westminster Brothers. As a distraught Mayor Solga walked out of the hearing, he told the press that he was so disgusted that he would "try to convince my only child to leave this country." Zuzana Caputova stated that the "circle of illegalities has thus been closed by the arbitrary conduct of the state authorities." Although the activists have filed an appeal with the Supreme Court, they hold out little hope that it will reverse the regional court's decision. In the meantime, the dump construction is complete and it is expected to become operational any day.

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¶12. (U) To add insult to injury, the government -- with the help of Mr. Kocner -- has initiated a smear campaign against Pezinok. Police launched an investigation into Pezinok's tender with another city to bring its garbage there. The Environment Ministry is planning an audit of Pezinok's environmental plan and may review the legality of Pezinok's territorial plan. In a recent interview, Kocner suggested that there was something nefarious behind Mayor Solga's willingness to pay more to transport Pezinok's waste to another town when it was cheaper to use a local dump. Kocner said that he already knew the reason and that "everyone will know within a short time."

Epilogue: A New Civic Activism?

¶13. (C) The fact that the Slovak Government, i.e., the Prime Minister, the Environment Minister, the General Prosecutor and the Courts, has been complicit in what appears to be a blatant violation of citizens' rights and the law is very disturbing. There is clearly a lot of money to be made in the operation of the dump, or if Marian Kocner has his way, in the construction and operation of a "plasmatron" incinerator. Perhaps this was always the main objective, because as Kocner pointed out in a recent interview, the plasmatron proposal is only viable if it incinerates rubbish from both the old and new Pezinok dumps. As the Pezinok activists have tried to unravel the connections behind the extraordinary

push to construct the dump, they learned that Martin Glvac, a State Secretary at the Construction Ministry and leading member of Smer may also be an interested party. Glvac, who appears to be linked to Jan Man, Sr., through shared business interests was implicated in a land-fund/restitution scandal last year, shortly after then Agriculture Minister Jurena (HZDS) was fired over a similar issues. The fact that Glvac emerged unscathed gave rise to criticism that PM Fico applies a double standard when dealing with allegations of corruption.

14.(C) A veteran undercover reporter told us that he had learned that the dump was "Fico's deal." We don't have evidence to support this assertion, but we do know that PM Fico has been involved in the case and apparently, like Chrbet, somewhat unnerved by it. Activists described an October meeting with him as very tense. Fico accused them of trying to undermine the government with their demonstrations, noting (somewhat menacingly, according to Caputova) that he had a "tape" showing who participated in a demonstration in front of the government office. The only silver lining we can discern in this sordid tale is that this cause has united the largest group of civic activists for the most sustained effort since the Meciar era. Thus, while Pezinok's rebirth has been marred, perhaps this case has ushered in an even more significant development: the rebirth of civic activism in Slovakia.

EDDINS